

# Bank of America Legal Department

**Outside Counsel Procedures**  
(For law firms located in United States  
or providing services to businesses in U.S.)

April 2008



**BANK OF AMERICA  
LEGAL DEPARTMENT**

**Outside Counsel Procedures for the United States**

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**BANK OF AMERICA  
LEGAL DEPARTMENT  
OUTSIDE COUNSEL PROCEDURES**

**I. Introduction**

The Bank of America Legal Department (the “Legal Department” or the “Department”) is responsible for managing the legal affairs and legal risks of Bank of America Corporation and its subsidiaries (“Bank of America” or the “Company”). The Department employs highly skilled in-house lawyers and outside counsel who have a strong commitment to the success of Bank of America, to upholding high standards of professional and ethical conduct, and to ensuring timely, responsive, and cost-effective service.

The Department’s in-house lawyers expect to work closely with outside counsel retained to represent the Company, and to be fully involved in the matters outside counsel are engaged to handle.

These U.S. Outside Counsel procedures (the “Procedures”) are designed to guide the Bank of America line of business officers and outside counsel in assisting the Department in its efforts to manage the legal affairs of the Company effectively. The Procedures apply to law firms and their lawyers located in the United States. (With the exception of the details related to invoice processing, these procedures do apply to law firms outside the United States where they provide services to a U.S.-based business or are otherwise paid out of the United States.) Additional procedures will be implemented for law firms and their lawyers outside the United States. Compliance with these Procedures is imperative to a successful working relationship between Bank of America and its outside counsel. Failure to comply may result in the nonpayment of legal invoices, and chronic failure to comply may lead to Bank of America terminating its relationship with a law firm.

As Bank of America consists of different businesses, offering products to different customers, it will be necessary to make exceptions to these Procedures at various times. Unless directed differently by a Legal Department attorney, law firms are to adhere to these Procedures.

These Procedures shall constitute the written engagement, or contract, of the firm for any matter for which it is engaged on behalf of Bank of America, and shall govern the terms of the engagement. These Procedures are applicable to all law firms and attorneys providing legal services to Bank of America. Law firms retained by Bank of America should ensure that a copy of these Procedures is provided to all attorneys, paralegals, administrative, clerical or other assistants assigned to a particular matter before work begins on any matter.

For convenience, these Procedures reside on the Internet at:

<http://www.bankofamerica.com/suppliers/files/legalprocedures.doc>

## **II. Relationship with the Legal Department and Other Law Firms**

Bank of America's legal needs are served through the coordinated efforts of outside counsel and attorneys within the Department. Outside counsel is directed to consult with Department attorneys to become familiar with Bank of America's policies, procedures and availability of forms and research. In general, outside counsel should identify and consult regularly with the responsible attorney in the Department for each matter engagement they undertake. On significant matters, outside counsel should confirm whether a specific Department attorney has been assigned to work with outside counsel, and if so, work with that attorney to develop a strategic plan which shall cover the following: (i) handling the matter, including staffing, budgeting and development of a comprehensive strategy where opposition is anticipated; and (ii) approvals required before taking any action or incurring any expense as described in these Procedures.

In all cases, outside counsel must obtain prior approval from a Department attorney before incurring significant fees or expenses on a matter, initiating action seeking extraordinary remedies or relief sought on Bank of America's behalf, undertaking representation involving any possible conflict of interest; or proceeding with any matter entailing a significant legal, regulatory, precedential or reputational risk to Bank of America.

If outside counsel requests the use of any other law firm or attorney in a matter it is handling for Bank of America, such request must be made to the Department attorney handling the matter. If the request is approved, the law firm may engage the services of such counsel directly.

## **III. Engagement of Outside Counsel**

### **A. General Engagement Policy**

The procedures to engage outside counsel vary with the nature of the legal matter and/or the supported line business. In all cases, the retention of a law firm to provide legal services to Bank of America must be documented with a Legal Matter Number ("LMN"). Before commencing work on a matter, outside counsel should ensure that an LMN has been obtained.

### **B. Role of the Legal Department**

An attorney in the Department must review and approve in advance all requests to engage outside counsel on most matters. For certain classes of matters including transactions, routine real estate closings, consumer collections, et cetera, the approval is granted for a group of law firms providing legal services for the defined matters, for a defined period.

Attorneys in the Legal Department, and only those attorneys, have the authority to retain outside counsel for all litigation matters.

**C. Role of the Responsible Business Associate**

Before engaging outside counsel, the responsible business associate of Bank of America must submit a request to engage outside counsel to the Department by accessing the Retention of Counsel Form (ROC) through its intranet site at: <http://legal.bankofamerica.com/client/retention/index.asp>. (In some instances, the written request occurs after consultation with an appropriate Department attorney.)

Where the Department attorney approves the retention request, the Department will assign an LMN and electronically notify the business associate of it. The Legal Department attorney and business associate will jointly decide who will provide the LMN to the law firm, along with the details concerning the scope of the engagement, including, if required by the business or Department, a specific budget for the matter.

Where the Department attorney does not approve the retention request, the Department will electronically notify the business associate.

For those matters that do not require specific Legal Department approval, the Department will automatically assign an LMN without attorney approval.

**D. Role of the Law Firm**

1. Bank of America encourages outside counsel to propose alternative billing arrangements for appropriate matters and constantly evaluate cost-benefit alternatives. To ensure the delivery of high-quality, cost-effective legal services, any alternative billing arrangements must be approved by the Legal Department in advance.
2. Bank of America may request outside counsel to provide standard discounts on hourly rates for certain classes of matters, including but not limited to litigation, problem loan, product development, and general corporate advice. In many cases, such discounts already exist.
3. Unless otherwise agreed in advance, all charges by outside counsel for services rendered on behalf of Bank of America shall be solely on the basis of hourly rates that Bank of America has previously approved. All pricing arrangements, including any agreed-upon discount to the hourly rates, must be reflected on all invoices.
4. Bank of America may request the law firm to provide the following: (1) a quarterly report of use of minority and women attorneys on its matters in the format detailed in Appendix I, and/or (2) reports concerning the firm's relationship with Bank of America or any specific matter.

5. Bank of America maintains a web-based extranet to enable the Legal Department to maintain electronic paperless files for a legal matter, referred to as Legal File Room (LFR). Bank of America may request outside counsel to utilize the LFR in any legal matter by uploading all documents that would otherwise be provided to the Legal Department onto the LFR file that the Legal Department has opened for the legal matter. If requested, the firm will be required to obtain access credentials through the Bank of America Secure Messaging team, including a user name and secure password for each user within the firm. Your contact in the Legal Department will assist you in obtaining these credentials. Outside counsel is responsible for maintaining strict confidentiality of the information accessible on LFR and strict security to protect unauthorized access. This includes, but is not limited to, immediate notification to Bank of America of the departure or reassignment of any law firm personnel with access to LFR so that the individual's user name and password can be deleted, as well as immediately changing any other password known by the departing individual. Outside counsel is responsible for establishing appropriate ethical walls within the firm to restrict access to any legal matter file to those users with a business reason to access the matter.
  
6. Bank of America requires that each of its law firms has current professional malpractice insurance. Law firms should submit proof of insurance coverage to:

Mr. Patrick C. Ryan  
NC1-002-29-01  
Bank of America  
101 S. Tryon Street  
Charlotte, NC 28255  
([patrick.c.ryan@bankofamerica.com](mailto:patrick.c.ryan@bankofamerica.com))

#### **IV. Confidentiality and Security of Information**

Bank of America reserves the right to perform due diligence and assess the information security plans and procedures of outside counsel and any third party in privity with outside counsel, which will receive Bank of America confidential information, prior to engaging outside counsel to represent Bank of America or its customers.

Incident to representation of Bank of America, outside counsel will receive communications pertaining to internal policies, procedures, strategies and positions of Bank of America of a proprietary and confidential nature. While handling particular matters, members of the firm may also be provided with records or information pertaining to customers of the Company. Bank of America requires outside counsel to maintain the confidentiality of such information both during and after the course of the firm's representation of Bank of America. In particular, the firm shall limit disclosure and access to customer and proprietary information to those members and staff of the firm who need to have such access to provide the services for which the information has been provided. Outside counsel must follow all statutory and regulatory provisions relating to privacy, confidentiality and nondisclosure of customer records, proprietary information of Bank of America, and other privileged or confidential information, including without limitation information or data protection laws and regulations. Outside counsel should address such situations in a professional manner consistent with all codes of professional responsibility and applicable laws and regulations. For example, outside counsel should be aware that federal law prohibits the disclosure of certain information such as examination reports and suspicious activity reports since such information is viewed as property of the federal government.

Bank of America reserves the right to review, test, and audit information and data protection plans and procedures of outside counsel and any third party in privity with outside counsel who accesses Bank of America confidential information. Outside counsel shall timely correct any element of this information and data protection plans and procedures, which could reasonably be expected to pose a threat to the protection of Bank of America confidential information.

Outside counsel shall promptly return, deliver or destroy all confidential information in its possession or the possession of any third party in privity with outside counsel per the written request of Bank of America.

Any law firm in possession of such information may only transmit it to or receive it from Bank of America via secure electronic means (i.e., encrypted e-mail). Bank of America will establish a secure e-mail account for any person in a law firm who will receive or send confidential Bank of America information.

In situations where law firms need to transmit or receive the most sensitive of this confidential information, Bank of America recommends doing so orally, in person or by telephone.

## **V. General**

### **A. Gramm-Leach-Bliley Act**

The Gramm-Leach-Bliley Act imposes restrictions on disclosure of non-public personal information by financial institutions and on recipients of such information from financial institutions and imposes certain information security obligations on financial institutions. The firm agrees to use procedures and systems designed to (1) ensure the security, integrity and confidentiality of Bank of America proprietary and customer information; (2) protect against any anticipated threats or hazards to the security or integrity of such information; (3) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to Bank of America or any person that is the subject of such information; and (4) ensure the proper disposal of such information. In the event that the firm employs service providers (such as court reporters, copy services, et cetera) and provides such service providers with customer information or other confidential or proprietary information, the firm shall ensure that such service providers have entered into an agreement addressing confidentiality and security of any Bank of America customer or proprietary information. Confidential information includes without limitation all customer information. "Customer information" means information about any customer's use of Bank of America services or their accounts.

### **B. Contacts with the Media**

Outside counsel is not authorized to respond to media inquiries concerning Bank of America without the prior approval of the Department. All media contacts with outside counsel must be referred to the Department. If outside counsel anticipates that a matter may call for a response to the media, the firm should immediately contact the Department.

### **C. Conflicts of Interest**

Outside counsel is required to advise the Department immediately of any actual or potential representation which may be or become adverse to the interests of Bank of America (including its interests in a fiduciary capacity), or of any situation that otherwise may involve a conflict of interest, including issue conflicts (such as where a firm asserts a legal position adverse to the interests of Bank of America on behalf of another client in another case).

Bank of America expects the undivided loyalty of its outside counsel and may regard as an actual or potential conflict of interest the representation of another party, which may have differing interests, whether such interests be conflicting, inconsistent, diverse or otherwise discordant. The foregoing description of "conflict of interest" may be broader than any otherwise applicable definition under outside counsel's local bar rules or canons of ethics. Any such

circumstance should be explained in writing addressed to the attention of an attorney in the Department.

Only Department attorneys have the authority to waive conflicts of interest for Bank of America. Outside counsel will be advised promptly by a Department attorney whether Bank of America consents, and the conditions thereto, or declines to consent to any such actual or potential conflict. Any consent so granted shall be on the condition that such consent will be reconsidered in the event that the interests of outside counsel's client and of Bank of America change materially.

**D. Document Review**

Particular Bank of America matters will require extensive review of hard copy and electronic documents. In these matters, where the purpose of the review is to locate information within certain parameters, Bank of America may require a law firm to retain contract lawyers to conduct the initial review. Any such retention should be guided by a Bank of America vendor contract. (That is, Bank of America will hire the contract lawyers or instruct law firms who to hire.)

**E. Standard Forms**

The Department has developed standard forms or specific contractual provisions for a wide variety of routine transactions (e.g., collection matters, purchase contracts, leases, loan agreements, promissory notes, security documents, et cetera). Outside counsel is required to consult with the Department to determine if a standard form or a specific contractual provision is available and appropriate for the matter at hand.

**F. Work Products and Research Materials**

Law firms representing Bank of America are required, on an ongoing basis, to submit their substantive work product, such as legal opinions, memoranda and briefs, to the Department. Additionally, law firms representing Bank of America are requested to check first with the Department before initiating significant research projects. This is intended to avoid needless and costly duplication of research efforts and to avoid inconsistent legal positions. For research assistance, contact a Department attorney.

**G. Contact with Regulators/Notice of Regulatory Issues**

Outside counsel shall not contact any federal, state or local regulatory body or government official regarding any matter or issue without the prior approval of the Department. In addition, outside counsel shall notify the Department of any regulatory issues that are identified in connection with any matter.

## **H. Compliance with Section 307 of Sarbanes-Oxley**

If outside counsel reasonably believe that material violation of law may have occurred, is occurring or is about to occur, as set forth in Section 307 of the Sarbanes-Oxley Act of 2002 and the SEC Rule promulgated there under (17 CFR 205), outside counsel must notify the General Counsel and the appropriate Legal Department attorney. This notice may be in any form, but should conspicuously state that it is being made under Section 307 of the Sarbanes-Oxley Act.

## **I. Treasury Regulations – Potentially Abusive Tax Shelters**

Bank of America Corporation and its affiliates (“Bank of America”) requests your support in Bank of America’s efforts to meet its obligations under Treasury regulations regarding the disclosure and reporting of “potentially abusive tax shelters.” “Potentially abusive tax shelters” include transactions listed by the Internal Revenue Service, confidential transactions, transactions with contractual protections, transactions with significant tax losses, transactions with significant book-tax differences, and transactions with brief asset-holding periods (See Treas. Reg. §1.6011-(4)(b)(2)-(7)).

Each failure to disclose or report a reportable transaction may result in significant penalties. For these reasons, please respond to Bank of America to identify whether or not you are reporting or maintaining a list on a transaction entered into in which you believe Bank of America participated or acted as a material advisor. See, I.R.C. §§6111 and 6112. In addition, if you are reporting such a transaction or maintaining such a list, please provide a name and description of the transaction and the individuals and entities involved. If you have any questions, please call or e-mail Patrick Ryan at 704.387.1359 or [patrick.c.ryan@bankofamerica.com](mailto:patrick.c.ryan@bankofamerica.com).

## **VI. Minority and Women Outside Counsel**

Bank of America desires to encourage and expand the inclusion of minorities and women within and among all law firms providing legal services to it. To this end, Bank of America sponsors regional and local programs designed to enhance the development and opportunities of minority and women attorneys. In conjunction with the efforts of the Legal Department Diversity Business Council, Bank of America expects that its law firms will have women and minority partners and associates work on its legal matters.

## **VII. Special Engagements-Exceptions**

### **A. Private Client Group**

Exceptions to these Procedures may apply to matters for which the Private Client Group engages outside counsel to represent Bank of America when the matter involves Bank of America in its fiduciary capacity.

**B. Insurance Claims**

Exceptions to these Procedures may apply to matters where Bank of America engages outside counsel to represent it on a claim for which Bank of America is insured.

**C. Collection Matters**

Exceptions to these procedures may apply to matters where Bank of America engages outside counsel to perform loan collection activities.

**VIII. Litigation Matters**

**A. General**

1. The following provisions of these Procedures affect only litigation initiated by or against Bank of America on bank-paid matters. Matters dealing with (i) uncontested loan workouts and loan enforcement issues, (ii) bankruptcies and (iii) routine judicial processes such as interpleaders and the like, where no significant defense or counterclaims are raised, are not considered to be litigation matters for purposes of this Section VIII.
2. Provided there is no corporate exposure, the following provisions of this Section VIII do not apply in those instances where Bank of America or its subsidiaries are involved only in their fiduciary capacity.
3. With respect to all litigation matters covered by this Section, to the extent that a conflict exists with other parts of these Procedures, the procedures in this Section VIII shall apply.
4. No litigation covered by this Section may be commenced on behalf of Bank of America without the express consent of the Department.

**B. Litigation Philosophy**

1. Advocacy  

Bank of America, while maintaining strong advocacy positions, seeks to facilitate the cost-effective resolution of claims.
2. High Ethics  

Outside counsel representing Bank of America is expected at all times to maintain the highest ethical standards. Coercive, dilatory or obstructive tactics are not to be used.

3. Motion Practice and Discovery

The Department strongly discourages protracted motion practice. When appropriate, however, dispositive motions to dismiss or for summary judgment should be employed to resolve as many issues as possible.

4. Settlements

The settlement possibilities of each matter should be identified and considered early in the proceedings and periodically revisited thereafter. Where possible, cases best resolved by settlement should be settled at an early stage. Outside counsel should promptly report to the Principal Legal Contact (as defined below) any settlement offer or overtures.

5. Alternative Dispute Resolution

Mediation, binding arbitration and other forms of alternative dispute resolution have proven very beneficial to Bank of America and should be considered at the outset of any engagement and periodically thereafter. Use of alternative dispute resolution is strongly supported by Bank of America.

**C. Engagement of Outside Counsel**

1. Engagement Policy

With the exception of non-adverse matters, such as routine collections, a Legal Department attorney will engage outside counsel for litigation matters and serve as the principal contact (the "Principal Legal Contact"). In all instances, any adverse litigation matter must have a LMN assigned by the Litigation Practice Group.

2. Legal Matter Numbers

Upon assignment of an LMN, the Legal Department will provide the LMN to the law firm and such other information as may be necessary for the engagement and compliance with these Procedures. Thereafter, the LMN must appear on all firm invoices, correspondence and other documents furnished to Bank of America.

## **D. Relationship with Legal Department**

### **1. Principal Legal Contact**

The law firm will be advised at the time of the engagement who the Principal Legal Contact is. The law firm will be responsible for assuring that the Principal Legal Contact is informed of all significant issues that arise in connection with the matter.

### **2. Mandated Contacts**

For (i) all cases where the estimated exposure is \$250,000 or more or (ii) when otherwise so advised, outside counsel is expected to consult with the Principal Legal Contact on all significant strategic and tactical decisions, including (by way of example):

- Unusual defenses raised
- Dispositive and other significant motions
- Discovery plan
- Anticipated use of ADR
- Class certification issues
- Settlement

### **3. Partnering Relationship**

On all litigation matters, the law firm engaged for the matter will partner with the Principal Legal Contact, other Department lawyers involved in the matter and the responsible business associate.

### **4. Initial Requirements of Outside Counsel**

At the time of the engagement or promptly thereafter, outside counsel should consider and discuss with the Principal Legal Contact the following:

- a) Feasibility of alternatives to standard hourly billing;
- b) Whether a budget will be required and, if so, in what form (generally, a budget will be required if the anticipated legal fees will exceed \$50,000);
- c) The level of oral and written communications expected by the Principal Legal Contact;
- d) Consideration of alternative dispute resolution strategies;
- e) Identification of all perceived risks and the law firm's initial estimate of (i) the probability of an adverse result and (ii) the

probable (most likely) loss to Bank of America determined on a risk-weighted basis; and

- f) In all cases in which the legal fees will exceed \$100,000 or the risk-weighted exposure exceeds \$250,000, a case map and budget (Exhibit B) is required at the outset and must be updated at least quarterly.

**E. Reporting Requirements/TeamConnect**

All law firms engaged by Bank of America with respect to a litigation matter are required to keep their case files current pursuant to guidelines provided to the law firm from time to time by the Department.

The Department regularly generates reports to Bank of America management. To ensure these reports are accurate - and to assure that litigation matters are managed effectively - The Department and Bank of America are relying on the law firm's continued diligence in reporting case updates to the Legal Department. It is particularly critical that law firms provide case updates well before the end of each calendar quarter.

**F. Miscellaneous Requirements**

- 1. Engagement of Local Counsel

Outside counsel has no authority to engage local counsel without the express consent of the Department. Local counsel must adhere to all provisions of these Procedures.

- 2. Engagement of Experts

Outside counsel has no authority to engage litigation experts without the consent of the Legal Department. The Legal Department's TeamConnect system maintains an index of all adverse and non-adverse experts involved in litigation with Bank of America. Outside counsel is requested to consult with the Principal Legal Contact for assistance in identifying the appropriate expert(s). Additionally, the Department negotiates special fee arrangements with certain national accounting firms and other providers of expert services that should be considered before an expert is retained.

- 3. Engagement of Electronic Discovery Agencies

Outside counsel has no authority to engage agencies to conduct electronic discovery. The Legal Department maintains relationships with preferred discovery agencies. Outside counsel must consult with in-house Legal Department Litigation attorney to determine which discovery agency to hire, if any.

4. Engagement of Class Action Administration Firms

Outside counsel has no authority to engage agencies to administer class action lawsuits. The Legal Department maintains relationships with preferred administration firms. Outside counsel must consult with in-house Legal Department Litigation attorney to determine which class action firm to hire, if any.

5. Appeal

Outside counsel should not undertake an appeal without the express prior approval of the Department. Nevertheless, outside counsel should take all steps necessary to protect Bank of America's right to appeal pending a decision being made. Additionally, outside counsel should be familiar with 12 USC § 91 regarding the absence of bonding requirements for national banks.

Consideration should be given to handling appeals on a negotiated fixed-fee basis.

6. Stenographic Services

Outside counsel, other than counsel retained by Bank of America's insurance carriers, is required to arrange all Bank of America initiated depositions and transcription services through court reporting services approved by the Department. Outside counsel is required to obtain the highest quality of service with the most cost-effective rates for Bank of America. Fees and expenses attributable to services ordered from a transcriber are to be billed directly to Bank of America.

7. Regulatory Issues

Outside counsel shall notify the Principal Legal Contact and obtain the approval of the Principal Legal Contact prior to contacting any regulatory agency on behalf of Bank of America. In addition, outside counsel shall notify the Principal Legal Contact of any and all regulatory issues raised in the context of a litigation matter, including all requests for examination materials, currency transaction reports, suspicious activity reports, and other similar regulatory communications or materials.

## **IX. Billing Procedures and Guidelines**

Generally, outside counsel will submit separate invoices monthly for each matter being handled. Bank of America requires outside counsel to submit invoices electronically, at least where it is possible for law firms to do so. Specific details about invoice submission are included in Appendix III. (Note, Appendices III through V are meant to complement the Outside Counsel Procedures by serving as a reference for outside counsel to understand the invoice review and payment process at Bank of America. They answer many frequently asked questions.)

Outside counsel has no authority to engage local counsel without the express consent of the Department. Where such approval is granted, local counsel must adhere to all provisions of these Procedures.

### **A. Invoice Content and Details**

Invoices submitted for payment by Bank of America must be at least \$100. We will not process any invoice less than \$100, unless that invoice is a Final invoice. The submission of a Final invoice prevents future invoice submissions for that matter. For more details, please contact Legal Precision Support as referenced throughout Appendices III through V.

Invoices must contain the following information before Bank of America will consider them for payment:

- Bank of America assigned Legal Matter Number
- Unique invoice number assigned by the firm, labeled “Invoice Number” or “Bill Number”
- Invoice date (no future dates)
- At least one charge line that should be descriptive of the services provided
- Itemization of disbursements (see Section IX.B, “Disbursements”)
- A subtotal of all legal fees and disbursements, including clear identification of any discounts or adjustments, and the resulting invoice total

Entries for telephone conversations, conferences, meetings, and court conferences must specifically describe the parties involved and the subject matter or purpose of the task. Charges for preparing or reviewing correspondence should identify the subject matter of the letter and the author.

Block billing is not acceptable. Each task performed by outside counsel requires a separate time entry on an invoice. (Examples of acceptable time entries are below.)

Time entries must be rounded to the nearest 0.10 of an hour.

Bank of America will not pay outside counsel for audit letter responses, unless they become complex enough to merit significant law firm work.

Bank of America will compensate for time spent in transit provided travel time is devoted to actual billable work. Time spent in transit alone may not be billed. Unless agreed to in advance, time away from home or the office that is not spent performing legal services will not be compensated. In addition, if travel time is devoted to working for one or more clients in addition to Bank of America, outside counsel may bill a proportionate share to Bank of America.

For non-hourly based billing, outside counsel may bill a flat fee for matters where a pre-negotiated fixed rate has been established. Bank of America may request as backup an hourly breakdown of the actual work performed. For other matters where a task-based or activity-based arrangement has been negotiated, invoices should indicate the billing amount for each task, activity, or function.

Unacceptable (block billing and not in 0.10-hour increments):

<u>Date</u>	<u>Hrs</u>	<u>Tmkpr</u>	<u>Rate</u>	<u>Value</u>	<u>Description</u>
1/9/06	1.75	EMW	\$300	\$525	Telephone call with Ms. Jane Duffy regarding revisions to summary judgment papers; draft and finalize responses to plaintiff's request for production of documents.

Acceptable (single task per time entry; time in 0.10-hour increments):

<u>Date</u>	<u>Hrs</u>	<u>Tmkpr</u>	<u>Rate</u>	<u>Value</u>	<u>Description</u>
1/9/06	0.5	EMW	\$300	\$150	Telephone call with Ms. Jane Duffy regarding revisions to summary judgment papers.
1/9/06	1.0	EMW	\$300	\$300	Draft responses to plaintiff's request for production of documents.
1/9/06	0.2	EMW	\$300	\$60	Finalize responses to plaintiff's request for production of documents.

**B. Disbursements**

There should be no profit to outside counsel on disbursements. Bank of America expects outside counsel to be conscientious shoppers on its behalf by obtaining the best rates for disbursements. Specific requirements follow.

Bank of America may contract with particular service providers on an exclusive basis in return for discounted rates. Law firms retained by Bank of America may be required to use the providers designated in their areas for such items as

stenographic services, public record searches, and service of process, if notified to do so by Bank of America.

Law firms must pay any vendors they hire directly then include the associated expenses as a disbursement on its own invoice submitted by the law firm for payment by Bank of America. In cases where such a direct expense exceeds 10% of the corresponding law firm invoice, the law firm may choose whether to pay vendor directly or forward the vendor's invoice to responsible Bank of America in-house attorney for payment by Bank of America.

Each disbursement must be itemized and must include a brief description. In addition, disbursements should not be submitted as "Miscellaneous" or "Other." Bank of America may request documentation verifying disbursements itemized on an invoice, including outsourced disbursements.

Bank of America will not reimburse law firms for certain items considered administrative tasks or expenses that are firm overhead. If the expenses detailed below appear on an invoice, Bank of America will reduce the outside counsel invoice by the stated amount.

These non-reimbursable expenses follow: (Please note, the items and tasks listed below are the most common non-compensable ones. However, the following list is not meant to be exhaustive. At our discretion, Bank of America may reduce any fees/expenses we believe are excessive.)

- Service, license, or computer equipment fees related to electronic research (See Section IX.D, "Legal Research," below);
- Meals or transportation for employees of the law firm working "after hours"; Meals for business meetings will be reimbursed only if (i) employees of the law firm are required to work through a normal mealtime, (ii) the business discussed at the meal relates to a matter for which the law firm has been engaged by Bank of America, (iii) the charges are reasonable, and (iv) a Bank of America employee attends the meeting.
- Library books, publications, subscriptions or periodicals;
- Extra air conditioning or heating;
- Hardware, software, database consultants or technical support;
- Purchase or rental of, or allocations for, equipment such as copiers, fax machines, computers, software, postal machines, scanning equipment, CD writers, etc.
- Office supplies
- Internal messenger services
- "Rush" messenger service, unless requested by Legal Department
- Ordinary postage
- Facsimile charges other than long distance charges associated with the transmission

- Rental storage fees
- Accounting or bookkeeping charges
- Printing documents from computer
- Scanning documents
- Other general overhead expense

Administrative Tasks/Expenses:

- Secretarial overtime and word processing
- Invoice preparation
- Staff supervision
- File opening/closing
- Making travel arrangements
- Conflict of interest checks
- Budget preparation
- Preparing transmittal letters

Clerical Tasks:

- Photocopying documents
- Scanning documents
- Filing/Serving
- Word processing
- Docketing/Calendaring
- Document indexing
- Faxing documents
- Filing documents or updating files
- Organizing documents

Unless otherwise directed, the following expenses are reimbursable at cost:

- Copying: Bank of America will reimburse actual copying costs, but no more than \$0.10 per page for black & white or \$0.80 per page for color copies. The actual number of copies made must be indicated on the invoice;
- Third party courier and express delivery and telecopying costs: These services should be used sparingly. Costs associated with invoice delivery should not be billed to Bank of America;
- Travel: Law firms must book travel arrangements according to the policies guiding Bank of America associate travel. These policies are available upon request from the Department.

**C. Staffing**

Bank of America expects a law firm to appropriately staff the matters it handles for Bank of America. Law firm attorneys and paralegals should handle work that is commensurate with their professional experience and skill. In general, on

routine matters the Legal Department expects to have a partner or senior associate as the primary attorney, with an associate and paralegal (if appropriate) handling the routine work fitting their abilities. To ensure staffing levels are within expectations, law firms are encouraged to discuss staffing plans for specific matters with the responsible Legal Department attorney.

Bank of America will not pay for duplication of time caused by the transfer of a project to a new attorney for internal reasons, double-teaming, education, or excessive intra-firm conferencing.

Bank of America will not pay for summer associates or other similar timekeepers.

Outside counsel acting as counsel to Banc of America Securities LLC as lead manager for a securities offering are subject to the additional staffing and other requirements set forth in the “Guidelines for Outside Counsel with Respect to Securities Offerings.” Outside counsel may obtain these guidelines upon request from a Department attorney aligned with Banc of America Securities LLC.

#### **D. Legal Research**

Bank of America considers the costs associated with supporting electronic legal research a non-reimbursable expense to be provided by outside counsel. Bank of America will pay for reasonable amounts of time spent by a professional conducting the research, but not the administrative fees associated with it. In the event that any administrative fee for electronic research is included on a bill submitted to Bank of America, the amount paid will be reduced to exclude that charge.

All firms representing Bank of America are required to make research materials available to Bank of America for its research files, and these materials may, in turn, be available to outside counsel. This will eliminate costly duplication of research efforts and assure consistency in the handling of matters for Bank of America.

#### **E. Non-Payment of Invoices Due to Errors or Incomplete Information**

Bank of America will reject and return invoices, via LegalPrecision, for the following reasons:

- Computational errors;
- Incorrect formats;
- Unidentified timekeepers;
- Unapproved timekeepers;
- Invoices with duplicate invoice numbers;
- Invoices lacking Bank of America LMN.

Bank of America will not pay for descriptions that lack specificity, including but not limited to the following examples:

- Attention to file, matter, correspondence, et cetera;
- Work on file, discovery, motion, trial preparation;
- Follow up on request, status of, discovery requests, medical information, et cetera;
- Update case strategy or files;
- Prepare for conference, phone call or meeting;
- Review documents, correspondence, records, file, case strategy, or case issues;
- Receive and review documents;
- Pursue strategy, investigation, various matters, documents;
- Planning regarding discovery, strategy, et cetera;
- Review mail;
- Telephone conference.

Invoices for legal services on matters remaining unbilled in excess of 60 days risk not being paid, except where the business or matter, as approved by the Legal Department attorney, dictates different arrangements.

The law firm is responsible for revising and resubmitting each returned invoice within a reasonable time frame, generally two weeks.

It is the responsibility of the law firm to monitor invoices in LegalPrecision.

#### **F. Timekeeper Data and Billing Rates**

In order for Bank of America to pay a law firm invoice, it must have previous knowledge and grant approval of all professional timekeepers and their rates. Law firms should send their all their requests regarding new timekeepers and billing rates electronically to [ocrates@bankofamerica.com](mailto:ocrates@bankofamerica.com). Upon receipt of any changes to billing rates, the Department may request additional supporting documentation related to those changes (e.g. historical information).

Bank of America will review requests for billing rate increases for both individual timekeepers and firm-wide experiential and titular levels. Law firm invoices may not reflect any increase in billing rates until Bank of America has provided its acceptance of the increase in writing. In addition, law firms should continue to submit invoices on its regular schedule while Bank of America reviews proposed increases to their billing rates. Bank of America will not pay invoices withheld by law firm during this billing rate review.

In general, billing rate increases apply to any current and future matters the firm handles for Bank of America. However, Bank of America may arrange with law firms to set static billing rates on certain matters.

## **G. Credits**

Any credits due Bank of America should be submitted in the form of a check made payable to Bank of America, accompanied by a brief explanation for the credit, including references to any specific invoice(s) and Legal Matter Number(s) associated with the credit. Credits should not be applied to an invoice.

Checks containing credits may be mailed to:

Bank of America Legal Invoice Team  
MA5-503-04-18-01  
1 Federal Street  
Boston, MA 02110

## **H. International Law Firms**

Some law firms outside the United States will be paid from the U.S.-based Accounts Payable department at Bank of America – generally when providing services to U.S.-based businesses. In such cases, international law firms must submit a US Dollar invoice to the appropriate in-house attorney.

Due to Internal Revenue Service (IRS) regulations regarding payments to international vendors, Bank of America requires international (non-U.S. locations) law firms and other vendors to identify whether their invoice is related to “Foreign Source” or “US Source” income. That is, international vendors must include clear identification on their original invoice of the source of income for that invoice.

Depending on the source of income for particular invoices, international law firms might also be required to provide an IRS Form W-8. When such form is necessary, payments to international law firms will be dependent upon Bank of America’s receipt of it. (International firms may find out if Bank of America has a current form on file by contacting Accounts Payable at 1.888.550.6433 (option 1, 1). If no form is on file, international law firms should obtain the appropriate version from the IRS at [www.irs.gov](http://www.irs.gov), then submit it in one of three ways:

- 1) Via e-mail to [ocrates@bankkofamerica.com](mailto:ocrates@bankkofamerica.com),
- 2) Via mail to:

Patrick C. Ryan  
NC1-002-29-01  
Bank of America Legal Department  
101 S. Tryon Street  
Charlotte, NC 28255

- 3) Via fax to:

Patrick Ryan  
704.388.7342

Along with the IRS Form W-8, international firms will need to include a Bank of America Foreign Based Vendor Setup Form, available upon request from any contacts above.

Upon receipt of an initial IRS Form W-8, the Legal Department will forward it to Bank of America Accounts Payable (AP). AP will work with law firm to ensure form is accurately completed. Once AP has received proper information, AP will contact the Legal Department. In turn, the Legal Department will request an original and fully executed IRS Form W-8 from the law firm. The only acceptable method for submitting this original Form W-8 is a hard copy mailed to the Legal Department.

## Appendix I

### USE OF MINORITY AND WOMEN ATTORNEYS ON BANK OF AMERICA MATTERS

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Law Firm Name	
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Quarterly report for quarter ending:		(e.g. 3/31/08, 6/30/08, 9/30/08, 12/31/08)
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Total dollars billed by <b>all law firm attorneys</b> for all Bank of America matters (including customer-paid) in report period:	\$
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Total dollars billed by <b>diverse law firm attorneys</b> for all Bank of America matters (including customer-paid) in report period:	\$
---	----

By Diverse Category	Partners	Associates	Other Attorneys
African-American	\$	\$	\$
Asian/Pacific Islander	\$	\$	\$
Hispanic	\$	\$	\$
Native American	\$	\$	\$
Caucasian Female	\$	\$	\$
2 or more races			
Disabled/Disabled Veteran	\$	\$	\$

Caucasian Male (non-diverse) or Not Identified	\$	\$	\$
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Please submit report on a quarterly basis to Ms. Joyce Schilling, Legal Department associate, via e-mail to [joyce.schilling@bankofamerica.com](mailto:joyce.schilling@bankofamerica.com).  
Electronic copies of this template are also available from Ms. Schilling.

## Appendix II

### INITIAL CASE PLAN AND BUDGET

Although it may be difficult to predict exposures or budgets at the beginning of the case because all the facts are not known, Bank of America’s litigation policy requires a good faith attempt at making a reasonable estimate. If necessary, a range of dollar estimates can be used. The purpose of this document is to determine, within 90 days of the date your firm is retained, **all** of the following:

- 1) Worst-case damage exposure;
- 2) Risk-weighted damage exposure;
- 3) A rough budget (including expert fees), by calendar-quarter and phase of the litigation (including total anticipated budget);
- 4) A case plan, or strategy map, that describes how the litigation should be resolved and how that result can be achieved.

Please complete the following:

<b>CASE DETAILS</b>	
BUDGET TIME PERIOD: (To Be Updated Quarterly)	
CASE NAME:	
COURT:	
BANK OF AMERICA MATTER NO.:	
FILE NO.:	
BANK ATTORNEY(S):	
OUTSIDE ATTORNEY(S):	
DISCOUNT/BILLING ARRANGEMENTS:	
BREIF DESCRIPTION OF THEORIES AND DAMAGES SOUGHT:	

<b>STAFFING</b>		
<u>Name</u>	<u>Partner, Associate, Paralegal</u>	<u>Billing Rate Per Hour</u>

**1. What Is The Worst-Case Damage Exposure?**

(What is the most likely damage award at trial if plaintiff prevails under all theories alleged, using the damage scenario most favorable to the plaintiff? Include, if applicable, punitive damages, interest and attorneys fees, as well as estimated dollar consequences of adverse equitable relief. Also include as a separate figure the total worst-case defense costs, including experts, in the event plaintiff pursues the case through trial.)

**ANSWER:**

**2. What Is The Risk-Weighted Damage Exposure?**

(This figure can be calculated by multiplying each potential damage award by the likelihood that each result will occur. In other words, the risk-weighted exposure is the potential adverse award discounted by plaintiff's likelihood of prevailing on liability).

**ANSWER:**

**3(a) What Is The Budget For This Case On A Quarterly Basis?**

(What is the anticipated budget for this case on a quarterly basis for attorneys fees and costs excluding experts? What is the anticipated budget on a quarterly basis for expert fees?)

For Example:

	<u>Attorneys Fees &amp; Costs</u> <u>(excluding experts)</u>	<u>Expert Fees</u>
Budget for 1Q2004	\$	\$
Budget for 2Q2004	\$	\$
Budget for 3Q2004	\$	\$
Budget for 4Q2004	\$	\$

**3(b) What Is The Budget For This Case By Phase Of Litigation?**

	<u>Fees &amp; Costs</u> <u>(excluding expert</u> <u>fees)</u>	<u>Expert Fees</u>	<u>Estimated Date</u> <u>Of Completion</u>
Budget for Pleading Stage (including Motions to Dismiss)	\$	\$	
Budget for Discovery	\$	\$	
Budget for Summary Judgment	\$	\$	
Budget for Trial	\$	\$	

**4. Case Map (Strategy Plan)**

(This should be a succinct written case analysis that addresses the facts, as you understand them, and the applicable law. It should include a preliminary evaluation of liability, damages, litigation strategy, and the potential for early mediation and early settlement. It should also include a plan for resolving this case as quickly and cost effectively as possible, and a discussion of the risks and costs of continued litigation.)

Please also address the following:

- Steps that can be taken to explore settlement
- Obstacles to early settlement
- Discovery and motion practice necessary to posture the case for disposition by settlement or summary judgment
- Special legal or evidentiary problems

**ANSWER:**

## Appendix III

### INVOICE PROCESS GUIDE

Law firms may find the following information useful in understanding Bank of America's process for invoice submission, approval and payment. Below are unique but frequently used terms that one ought to know. On the following pages, there is a high-level overview of the process, followed by more specific details, and finally some flow charts to illustrate these words.

**AP:** Accounts Payable. This is the Bank of America department that issues payment of fully approved invoices. Note that invoices are not typically paid until after 30 days beyond the invoice date.

**ERequest:** An application used within Bank of America to electronically route all invoices from Legal Department to business and finance associates for secondary approval.

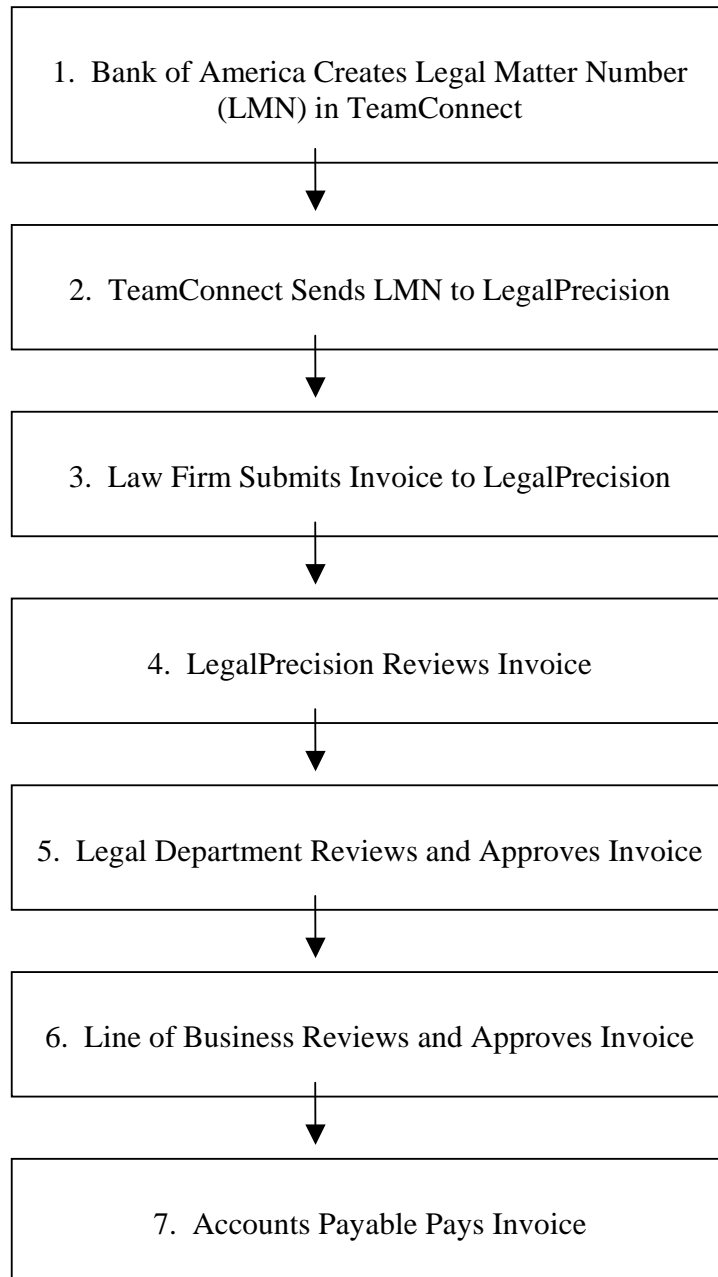
**File Handler:** A LegalPrecision term to designate the Legal Department associate who will receive invoices for review. This associate is always an in-house attorney assigned to a particular Legal Matter Number and responsible for approving all invoices submitted for same. Contact information for the File Handler is in LegalPrecision.

**Legal Invoice Team:** An administrative Team in the Legal Department that serves as the contact point for law firms inquiring about payment status of invoices. Law firms may contact this Team once an invoice has been approved in LegalPrecision. The Team may be reached by e-mail at [legalinvoice@bankofamerica.com](mailto:legalinvoice@bankofamerica.com).

**LegalPrecision:** Run by LexisNexis Examen, LegalPrecision is the web-based application employed by Bank of America to receive, electronically review and route legal invoices. There are two separate interfaces: one for law firms and one for Bank of America – neither sees what the other sees, but some information is shared. Contact information: 800.600.2282, x23 or [legalprecision@examen.com](mailto:legalprecision@examen.com). LegalPrecision Client Support is available from 8:00 a.m. to 9:00 p.m. (Eastern Time).

**LMN:** Legal Matter Number. A Legal Matter Number is a unique number assigned to a specific matter/retention for a specific law firm. Each invoice must contain a valid LMN before being submitted for payment.

**TeamConnect:** Matter management system used by Bank of America Legal Department. Non Legal Department Bank of America associates do not have access to TeamConnect. Law firms do not have access to TeamConnect.



## 1. **Bank of America Creates Legal Matter Number (LMN) in TeamConnect**

The procedures to engage outside counsel vary with the nature of the legal matter and/or the supported line of business. In all cases, the retention of a law firm to provide legal services to Bank of America must be documented with a Legal Matter Number (“LMN”). Before commencing work on a matter, outside counsel should ensure that an LMN has been obtained.

The law firm is to obtain appropriate Legal Matter Number from the Bank of America associate who retains the law firm (i.e., the one who sends the particular matter or work to the law firm). Legal Department Administration associates (Patrick Ryan and others) are unable to provide LMN.

We suggest sending requests for LMNs in writing to responsible Bank associates. If requests to the responsible Bank associates go unanswered after two attempts, a firm may forward the same request to Legal Department at [retentions@bankofamerica.com](mailto:retentions@bankofamerica.com). Firms should provide the names and dates of any associates previously contacted.

Before engaging outside counsel, the responsible business associate of Bank of America must submit a request to engage outside counsel to the Legal Department (“the Department”) through its intranet. Where the Department attorney approves the retention request, the Department will assign an LMN and electronically notify the business associate of it. The Legal Department attorney and business associate will jointly decide who will provide the LMN to the law firm, along with the details concerning the scope of the engagement, including, if required by the business or Department, a specific budget for the matter.

Again, an attorney in the Department must review and approve in advance all requests to engage outside counsel. Additionally, attorneys in the Legal Department, and only those attorneys, have the authority to retain outside counsel for all litigation matters.

Once created, an LMN exists in TeamConnect. It contains matter-specific information, most notably:

- Matter name
- Matter type (bank-pay or customer-pay/customer-reimburse)
- Bank of America In-house Attorney
- Bank Account Officer (Responsible business associate)
- Bank cost center (area responsible for legal expense)
- Law firm approved to submit invoices for the matter

## **2. TeamConnect Sends LMN to LegalPrecision**

Twice daily, TeamConnect transmits new matters and matters with changes to LegalPrecision. Generally, an LMN will appear in LegalPrecision one day after it is created in TeamConnect.

Law firms should not assume the LMN by finding a matter name listed in LegalPrecision. Many matters have similar names, and one might choose the incorrect LMN. Firms ought to wait until Bank associates have provided the matter-specific LMN before attempting to submit an invoice.

If a law firm is unable to locate an LMN that a Bank associate has provided to it, they ought to contact LegalPrecision Client Support at 800.600.2282, x23 or [legalprecision@examen.com](mailto:legalprecision@examen.com). Where necessary, they will forward inquiry to Legal Department. The Legal Department may contact the law firm for more information, such as who originally provided the LMN.

### **3. Law Firm Submits Invoice to LegalPrecision**

Law firms must submit any invoice for payment by Bank of America, regardless of whether Bank is ultimately reimbursed by a third party, to LegalPrecision.

If a third party is remitting payment directly to a law firm, that firm does not need to send invoice to LegalPrecision or Bank of America unless specifically instructed to do so. If third party remits payment to Bank of America, who in turn sends payment to a law firm, then law firm does need to submit invoice through LegalPrecision. On a related note, law firms who provide “courtesy copies” of invoices to Bank associates (or others) must mark those invoice copies conspicuously with text such as “courtesy copy – do not pay” so as to avoid duplicate processing.

Bank of America has authorized LexisNexis Examen, Inc. to handle the receipt, review and routing of law firm invoices for payment by Bank of America through their application, LegalPrecision. Further, we authorize LexisNexis Exam to assist law firms with the initial setup as well as ongoing questions about bill submission, structured data formats, the resolution of formatting problems or other queries concerning the use of LegalPrecision. Law firms may reach the Client Support group for LegalPrecision via telephone at 800.600.2282, x23 or e-mail at [legalprecision@examen.com](mailto:legalprecision@examen.com).

The Department expects all law firms to work closely with LegalPrecision Client Support to understand the invoicing process. It is the responsibility of a law firm to get invoices to LegalPrecision and to act on any necessary adjustments. It is also the responsibility of law firms to ensure all offices consistently adhere to the invoice procedures.

LegalPrecision will accept invoices submitted through structured data files via the web site at [www.legalprecision.com](http://www.legalprecision.com). Structured Data is, where possible, the only acceptable form of Bank of America invoice submission.

Law firm send invoices to LegalPrecision in one of three ways:

- a. Uploading electronic invoice(s) directly at [www.legalprecision.com](http://www.legalprecision.com) (by far the best method). LegalPrecision accepts Structured Data File invoices in the following formats:
  - LEDES 98B (ASCII)
  - LEDES 2000 (XML)
  - Examen Format (ASCII)

After the invoices are saved in one of these acceptable Structured Data formats, law firms log in to LegalPrecision at [www.legalprecision.com](http://www.legalprecision.com) using a login ID and password provided by LexisNexis Examen during setup. By clicking on the Submit Invoice hyperlink on the law firm home page, firms are able to upload the invoice directly to the LegalPrecision server for immediate processing. Additional information is available in the Frequently Asked Questions section of the LegalPrecision web site.

- b. E-mailing copy of invoice (ASCII, .doc, .pdf) to [invoice@examen.com](mailto:invoice@examen.com)
- c. Mailing paper invoice (or diskette copy) to:

Bank of America  
c/o LexisNexis Examen  
3831 North Freeway Boulevard, Suite 200  
Sacramento, CA 95834

Invoices submitted via electronic invoice upload are processed immediately by LegalPrecision. Whether successfully processed or ultimately rejected, the invoice upload process should be completed by LegalPrecision within minutes of file submission.

Invoices submitted via e-mail or mail take longer to process. Both must be scanned in and then reformatted to comply with the standard invoice presentation used by LegalPrecision. This process to import the invoice data might take up to 10 business days.

Although LegalPrecision is able to process paper or e-mailed invoices, Bank of America greatly prefers to receive electronic invoices. In fact, we expect larger firms to commit to electronic invoices. Firms will get many benefits by submitting invoices electronically. For example, firms experience faster processing/payment, 100 % tracking ability, and immediate status notification. One misconception is that paper invoices do not reject the same way electronic invoices do. Whatever a cause for invoice rejection, it will remain a cause regardless of whether a firm submits invoice on paper or electronically.

When law firms submit an invoice electronically to LegalPrecision, they receive confirmation of the submission. This is a confirmation that LegalPrecision received the invoice; it does not confirm upload success or failure. If one does not receive any subsequent e-mail notifying of a rejection within a few minutes, the invoice has likely imported successfully into LegalPrecision. While invoices are being imported, they will appear on the LegalPrecision HomePage under the **In Process** category in the **Invoices** section. When the invoice successfully imports, it will go to the **Active** category. If a firm submits an invoice via e-mail or paper, they may check to see if the invoice is in LegalPrecision by performing a search for the invoice in question. (Remember, paper and e-mail invoices may take up to 10 days to process.)

In the event that one law firm engages another firm to work on a Bank of America matter, the first law firm is responsible for providing LMN and invoice submission instructions to second law firm. Any secondary engagement must first be approved by the responsible Bank of America in-house attorney

#### 4. LegalPrecision Reviews Invoice

LegalPrecision processes each submitted invoice according to rules Bank of America provided (allowable charges, billing rates and other criteria set forth in our OC Procedures) and to the extent Bank requests (e.g., certain bank-pay invoices are more closely examined than certain customer-pay and flat-fee invoices). At Bank of America's direction, some LegalPrecision rules can cause an invoice to reject in their entirety (e.g., duplicate invoice number, unapproved rates) while other rules adjust charges (e.g., photocopies charged for reimbursement at rates in excess of \$.10/page will be adjusted to \$.10/page).

There are multiple gateways an invoice must pass prior to successfully importing in to LegalPrecision. If an invoice fails to successfully pass through any of the following gateways, LegalPrecision generates an invoice rejection notice.

The first gateway is looking for the following invoice format issues:

- Is there an invoice number?
- Is the invoice date valid?
- Is there an LMN?

The second gateway affirms a validation set:

- Does math compute (units x rate = charge)?
- Is this invoice number unique to the law firm?
- Does this invoice meet the minimum invoice amount?

The third and final gateway is the Bank of America specific rule set for the invoice as follows:

- Are there block billing charges?
- Do the billing rates exceed the approved rates?

Invoices that comply with the rules and rates selected for the matter by Bank of America should successfully import into LegalPrecision.

If the invoice fails at any of these gateways, it will not proceed to the next for evaluation. Instead, LegalPrecision will return the invoice with a rejection notice to the law firm. In other words, an invoice may receive an error for a format error, be corrected by the firm and resubmitted, but subsequently fail in another gateway. Law firms should direct questions regarding any invoice rejections and how to resolve them to LexisNexis Examen's Client Support team.

How LegalPrecision sends rejection notices depends on how the law firm originally submitted the invoice. Following are the notification methods LegalPrecision employs for each invoice submission type:

Electronic invoice/file upload submission.

LegalPrecision (legalprecision.com) sends an e-mail to the LegalPrecision user who logged in and submitted the invoice. The e-mail will include the invoice

failure information. If there is a second e-mail address set up for a law firm under Office Administration, that e-mail address will also receive a copy of this notice.

E-mail of invoice to [invoice@examen.com](mailto:invoice@examen.com) or paper invoice copy mailed to [LexisNexis Examen](http://LexisNexis.Examen). LegalPrecision (legalprecision.com) will send an e-mail to the default e-mail address that is designated by the law firm under Office Administration in LegalPrecision. If there is also a second e-mail address set up for a law firm under Office Administration, that e-mail address will receive a copy of this notice as well. If there is neither a default e-mail address nor a second e-mail address to send a copy in the law firm's LegalPrecision profile, LegalPrecision will mail a hard copy of the invoice failure information to the law firm address on the invoice, to the attention of the billing department.

If a law firm is submitting invoices electronically and is not receiving notices from [legalprecision.com](http://legalprecision.com) regarding the submission or rejection of invoices, there are two common causes.

Check to see if there is an e-mail filter in place. It is possible that the filter is screening the e-mail notices. Verify that e-mail will accept received notices from the e-mail sender at domain of [legalprecision.com](http://legalprecision.com).

Another possible cause for not receiving notices of rejected electronic invoices is an incorrect e-mail address in LegalPrecision. To view/edit e-mail address, an individual at a law firm must have an access level of Office Administrator or above. One can view the e-mail address by following these steps:

1. Log in to LegalPrecision.
2. From the Home Page, select **Office Administration** in the upper-right corner under **Administrative Functions**.
3. LegalPrecision will present a list of all individuals added for your firm. Search for the section that lists **Active LegalPrecision Users**. Locate your name on the list and click on the link.
4. LegalPrecision will display your information. If your e-mail is incorrect, select **Edit**.
5. Update the e-mail address and then select **Save**.

The e-mail update will be effective for notices sent from the time of the update forward. Notices that were previously sent will not be re-sent to the new address.

Invoice rejection information is also available in LegalPrecision. It can be accessed as follows:

1. Log in to LegalPrecision
2. From the Home Page, select **Invoice Returns Report** in the lower left corner under **Reports**.
  - a. LegalPrecision will open a window for the report query. Enter the information for the search. You do not need to complete all the fields to initiate the search. Select **Go**.
  - b. The results of the search will be displayed. This can be printed by

- selecting the **Print** option listed under **File**
  - c. When you are done with the search results, close the window.
3. You will be returned to LegalPrecision

When a law firm believes an invoice has been improperly rejected by LegalPrecision, the firm ought to contact the File Handler for resolution. It may be necessary for File Handler to update matter information so that LegalPrecision correctly reviews invoice to the level we desire. (For example, Bank of America pays some invoices to a law firm, but is then reimbursed by a third party. In most of these cases, invoices are processed as Flat Fee or with less stringent LegalPrecision review.) When a firm contacts a File Handler in this case, that firm should advise that they believe the invoice is improperly rejecting and ask that File Handler: a) confirm status (e.g. third-party or flat fee) and then b) ensure matter is properly setup in TeamConnect to handle such invoices.

## 5. Legal Department Reviews Invoice

Once an invoice successfully passes the processing rules in LegalPrecision, it then moves into a queue for the Legal Invoice Team to review (prior to going to the File Handler). The Legal Invoice Team performs a high-level evaluation of the invoice, as appropriate, to check for proper application of the guidelines and other issues. When the Legal Invoice Team has completed their review, they forward the invoice to the File Handler for their complete review, analysis and approval of the invoice. Once the File Handler (or his or her delegate) approves the invoice, LegalPrecision transmits the invoice information to TeamConnect the same or next business day.

When the Legal Department has approved an invoice, the amount approved for payment on that specific invoice is accessible in LegalPrecision by following these steps:

1. Log in to LegalPrecision.
2. Locate the invoice in LegalPrecision using **Invoice Search**, the **Approved Invoices** link or **Matter Search** and select the invoice in question.
3. From the Invoice Overview screen, select the **Invoice Reports** under the **Report** section in the lower right corner.
4. From the Invoice Payment History displayed, select the **Invoice Summary Report** for the approved amount you wish to view. (If you also see a Supplemental Invoice Report, that indicates that the File Handler has approved an additional amount subsequent to the initial approval.)
  - a. This will open a secondary window that will display the invoice detail information of what was approved for payment. If any charges were adjusted/denied, the amount and reason for each adjustment will be listed.
  - b. The Invoice Summary Report can be printed by selecting the **Print** option listed under **File**.
5. When one has completed his or her review of the Invoice Summary Report, this window can be closed, and the user will be returned to LegalPrecision.

While under review by the Legal Department, an invoice may be adjusted – or the adjustments may be overridden – until it is finally approved in LegalPrecision. Therefore, we advise that firms not investigate adjustments on an invoice until after it has been approved.

If a firm notices Bank of America has approved an amount less than the amount submitted, firm may appeal the write-downs by sending an e-mail to the responsible File Handler, who is able to perform a supplemental approval – based on his or her agreement with the appeal. Firms should never submit a new invoice for any adjusted amount from an invoice. LegalPrecision is not able to process or receive any such appeals.

At any time in the process, even though the invoice has been successfully loaded to LegalPrecision, Bank of America has the option to reject the invoice back to the law firm. Any time an invoice rejection action is taken, a rejection notification is issued to the firm (see previous section, “LegalPrecision Reviews Invoice,” for details). Some reasons for

invoice rejection include: (1) invoice submitted on incorrect Legal Matter Number, (2) Bank of America is not responsible for payment.

Additionally, a law firm may request that an invoice be withdrawn by e-mailing the Legal Invoice Team ([legalinvoice@bankofamerica.com](mailto:legalinvoice@bankofamerica.com)) up until the time the invoice is approved in LegalPrecision. Firms should include text ‘Urgent – Invoice Rejection Request’ in their e-mail subject line to the Legal Invoice Team.

Law firms may track the Legal Department review and approval of an invoice in LegalPrecision. Each invoice will have one of the following statuses:

Invoice Uploaded/In Process – The invoice is in process with LegalPrecision and is not yet available for Bank of America access and review. This process can apply to electronic invoices (they will be in this status for not more than a few minutes while being imported) or paper and/or e-mail invoices (they can be in this status for up to 10 business days while LegalPrecision reformats the data). If an invoice remains in this status in excess of 10 business days, please contact LegalPrecision Client Support for an update.

Invoice Uploaded/Ready – This is the first step in the invoice workflow where Bank of America has the invoice. The invoice has successfully been uploaded to LegalPrecision and is available for access and review by the Legal Invoice Team, but the invoice has not yet been reviewed or forwarded.

Forward/Reviewed – The invoice has been reviewed, and is most likely with the File Handler for approval.

Approved (or Approved for Payment) – File Handler has approved the invoice in LegalPrecision and the invoice information will be sent to TeamConnect and then to the responsible Line of Business associate for additional approval per Bank of America policy.

Payment Sent - Approved invoices may have a status of “Payment Sent.” However, note that Bank of America requires a minimum of two approvals on legal invoices prior to payment (see following sections), one of which occurs after the invoice is approved in LegalPrecision. A status of “Payment Sent” does not in itself mean that Bank of America has issued payment to a law firm.

## 6. Line of Business Reviews Invoice

Legal Department forwards invoice electronically to a Line of Business associate via Bank of America's internal electronic routing and approval system. (The invoice has since passed through TeamConnect and picked up the cost center and Bank Account Officer for proper approval/payment.)

When receiving the invoice from the Legal Department, a Line of Business associate has two options: approve it or deny it. (That is, they are not able to further adjust invoice as Legal Department sent it to them.) If invoice is \$10,000 or more, a Bank Finance Officer must also approve the invoice. Upon business/Finance approval, invoice is sent through eRequest to Accounts Payable.

Each necessary approval request remains in place for 17 days before it times out internally. When this happens, the Legal Invoice Team notifies the approving associate and resends the invoice.

Unfortunately, law firms do not have a means to track internal routing and approval of their invoices. Only the Legal Department's Legal Invoice Team is able to track legal invoices as they flow through Bank's internal payment approval system. To inquire about payment status of an "Approved" invoice in LegalPrecision, firms may send an e-mail to [legalinvoice@bankofamerica.com](mailto:legalinvoice@bankofamerica.com). When doing so, firms will need to provide the following information:

- Your name
- Law firm name
- LMN
- Invoice number
- Invoice date
- Approved invoice amount
- Date invoice approved in LegalPrecision

When inquiring about five invoices or more, firms ought to list them on a spreadsheet to be e-mailed as an attachment to Legal Invoice Team.

Emails to the Legal Invoice Team should replace the issuance of "statements of account" or lists of unpaid invoices being mailed to Bank of America.

## **7. Accounts Payable Pays Invoice**

Bank of America Accounts Payable has a net-30 rule for all invoice payments. In most cases, a law firm invoice will not be paid until 30 days have passed from invoice date – upon appropriate business/finance approval, of course.

Accounts Payable submits payment to law firms in one of two ways:

- a. Paper check mailed to address on file
- b. ACH direct deposit

To implement ACH or to inquire about anything related to ACH payments, contact Bank of America Accounts Payable at 888.550.6433, Options 1, 1.

To change location where Bank mails paper checks, contact the Legal Department at [retentions@bankofamerica.com](mailto:retentions@bankofamerica.com).

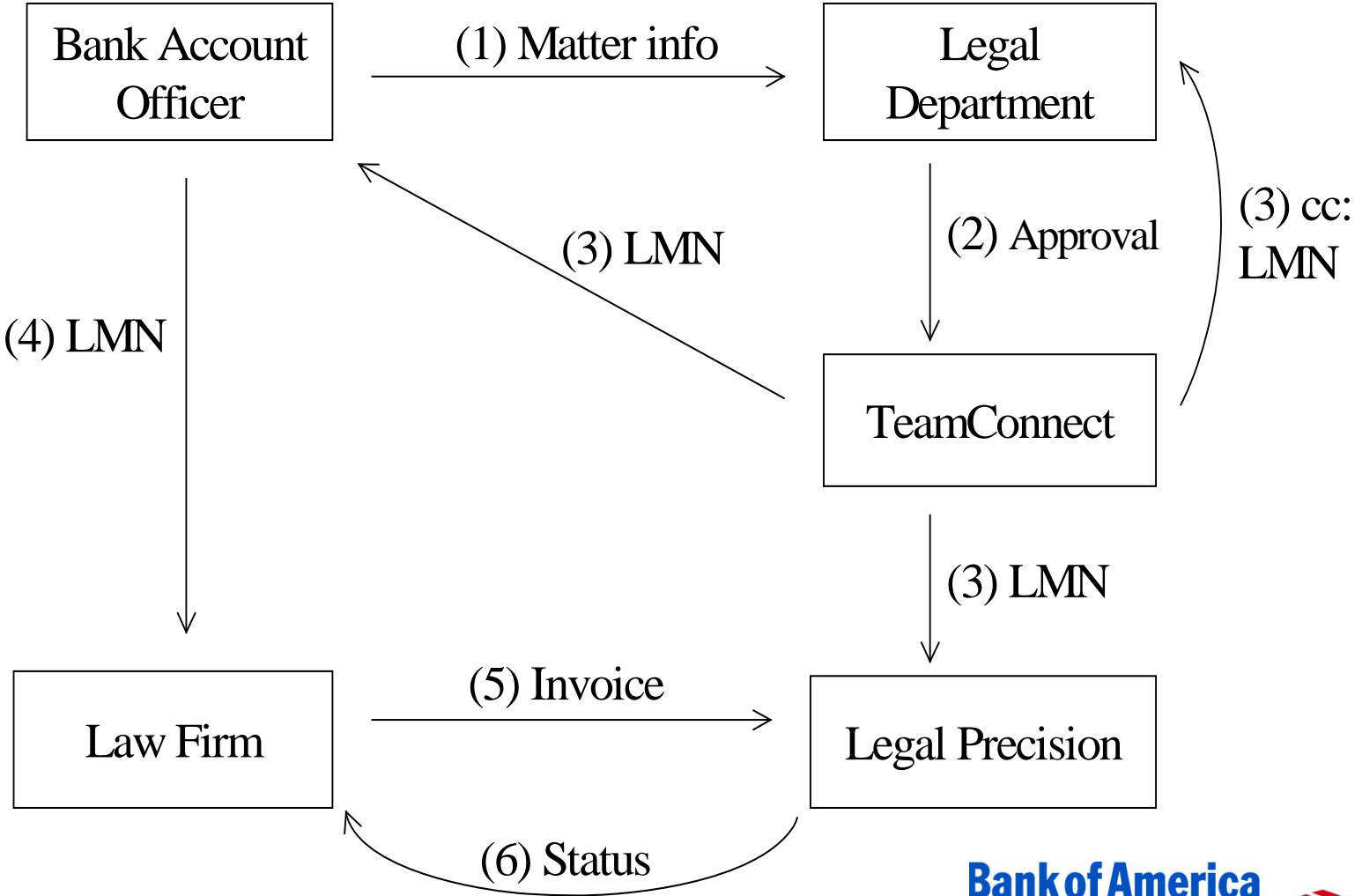
Firms receiving payment with no invoice reference must contact Bank of America Accounts Payable to resolve (phone number above).

In summary, legal invoices may be adjusted by LegalPrecision rules (at direction of Bank of America), the Legal Invoice Team and/or the File Handler. Firms will find the reason for invoice adjustments online at LegalPrecision. (Instructions for locating adjustment reasons are included in previous section “Legal Department Reviews Invoice.”)

Adjustments are often related to the Outside Counsel Procedures and any existing agreement between the firm and Bank of America. However, there may be reason to dispute an adjustment. To do this, a firm may send an e-mail to the File Handler. If payment received is less than amount approved in LegalPrecision, a firm ought to contact Legal Invoice Team for further investigation, at [legalinvoice@bankofamerica.com](mailto:legalinvoice@bankofamerica.com). When firms do this, they ought to include relevant details in the email, such as invoice number, amount approved, and amount paid.

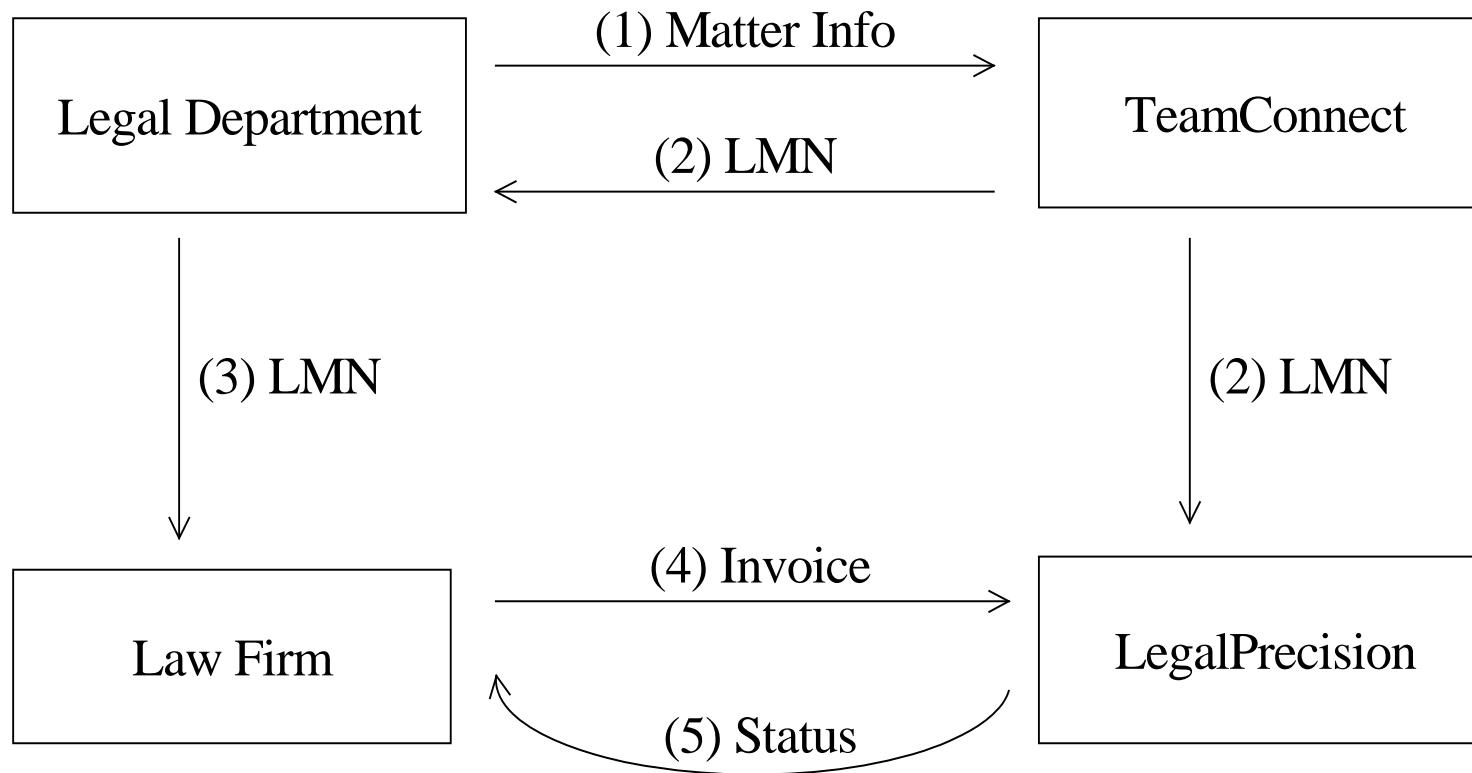
# Matter Create/Invoice Submit

## Business Officer as Client

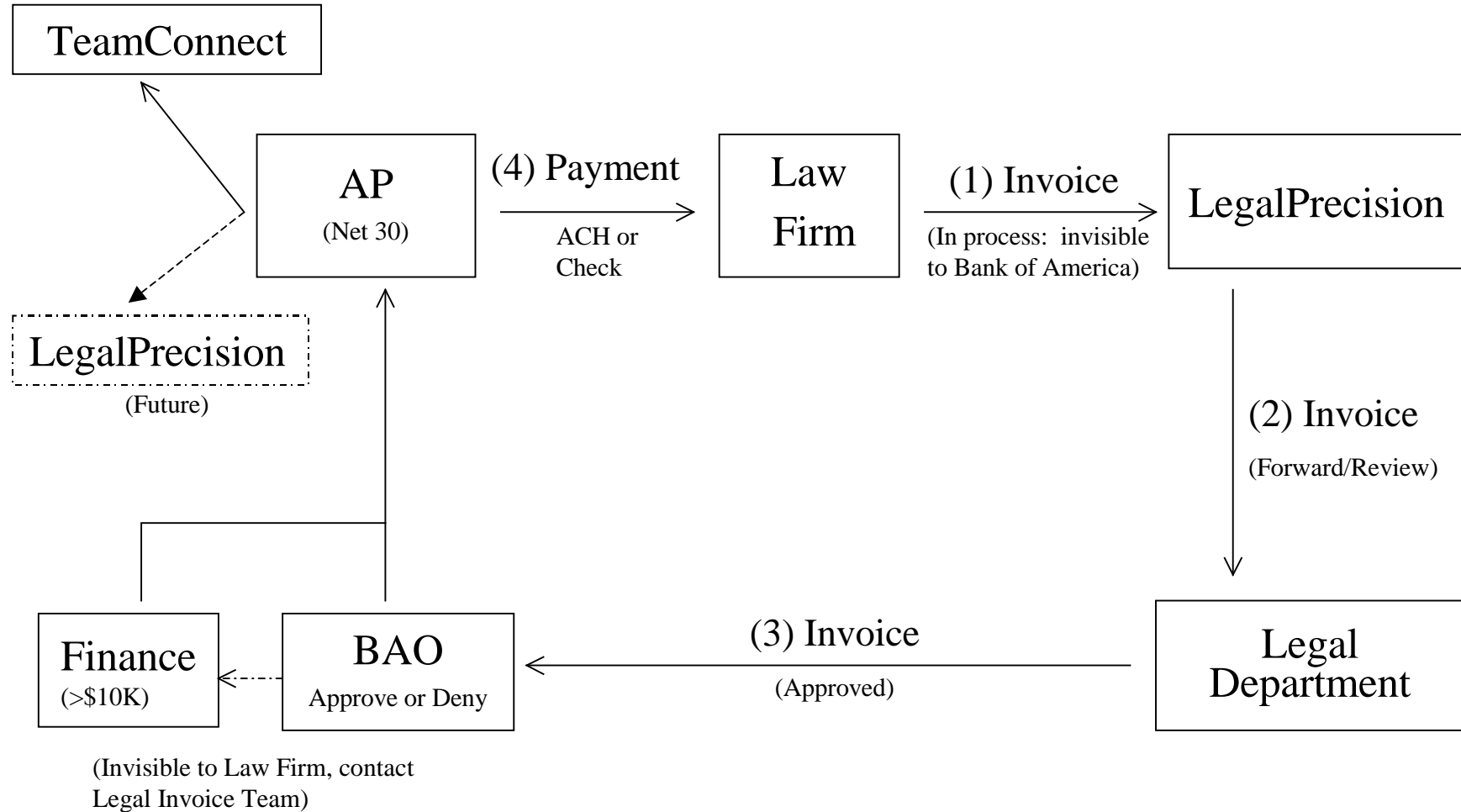


# Matter Create/Invoice Submit

## Legal Department as Client



# Invoice Approval/Payment



## Appendix IV

### TIMEKEEPERS/BILLING RATES

#### A. Timekeeper maintenance

Law firms are responsible for adding and maintaining all general timekeeper information such as names, titles, levels, and billing initials/IDs in LegalPrecision. If you have questions regarding this process, please contact LegalPrecision Client Support.

Bank of America is unable to edit any timekeeper information other than billing rates. In order for Bank of America to add or change billing rates, a corresponding timekeeper must exist in LegalPrecision. (FYI - LegalPrecision Client Support team does not have authority to enter or modify timekeeper or matter data, unless explicitly directed to do so by Bank of America.)

#### B. Billing Rate Submission

Attached is a form law firms use to submit their request for billing rate increases and additions to Bank of America. A firm may obtain an electronic copy of this form by contacting either LegalPrecision Client Support or the Legal Department. Please note the following:

- Prior to billing rate submission to Bank of America, law firm must ensure all timekeeper information is correct in LegalPrecision;
- Rates are effective only after Legal Department approves them;
- Law firms submit completed forms to the Legal Department via e-mail to [ocrates@bankofamerica.com](mailto:ocrates@bankofamerica.com);
- Rows 1 through 4 and columns A through F are mandatory. Columns G and H are optional but of value to Bank of America;
- Any special billing arrangements (e.g., blended rates, capped rates, fixed fees) should be noted on the attached, detailed separately if necessary;
- The Legal Department will return incomplete or ambiguous forms to the law firm for correction and resubmission.

#### C. Billing Rate Approval

Once the Legal Department receives billing rate additions or changes, they will review internally before approving or entering them into LegalPrecision. The time of the review will vary depending on the type of request a law firm makes. Firms may expedite the review process by providing the following supplemental information with your billing rate requests:

New Timekeepers: please provide either (a) the Legal Matter Numbers (LMN) the new timekeepers are billing or (b) confirmation that these are simply new timekeepers at the firm, who may or may not bill on Bank of America matters.

Changed Rates No. 1: If submitting changes to existing billing rates, please provide explanation for increase and any relevant LMNs timekeepers are currently billing.

Change Rates No. 2: If submitting firm-wide increases (e.g., discretionary, “cost-of-living,” or associate class promotions), identify reason for increases.

The Legal Department will notify law firms via e-mail that the rates are entered in LegalPrecision. In most cases, this e-mail will signify their approval of the billing rates. For less frequent changes, such as annual increases, the Legal Department will send approval using more formal means.

Requests for firm-wide annual rate increase may take significantly longer to approve and enter into LegalPrecision. Please submit such requests as early as possible. Law firms ought to also review section IX.F (Timekeeper Data/Billing Rates) for more information about the current rate submission and review process.

Bank of America requests that law firms seek efficiency by limiting the number of timekeeper files submitted to just one per month.

Finally, each file a firm sends should be a new version of previous submissions. Each file should contain all current timekeepers, along with those who need rates added or changed clearly identified as such per Column A of the attached. For example, if there are 100 timekeepers on file with billing rates, but then there is a need to add 5 new timekeepers, please send a list of all 105 timekeepers. The original 100 should be marked “stet,” the 5 new marked “add.”

One reason the Department asks for a comprehensive list with all requests is so that firms themselves will be able to keep track of what they have submitted. However, at any time, the Legal Department will prepare a list of timekeepers and rates as we have them in LegalPrecision. Law firms may contact the Department at [ocrates@bankofamerica.com](mailto:ocrates@bankofamerica.com) to make such a request.

**Appendix IV**

**BANK OF AMERICA  
TIMEKEEPER INFORMATION**

Row 1 **Law firm name:**

Row 2 **Does your firm provide a discount to Bank of America?**

Row 3 **Is any such discount applied to all "bank-pay" matters?**

Row 4 **If no, please detail:**

*Please only include timekeepers that will work on Bank of America matters*

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
<b>Rate Status (Add, Change or Stet)</b>	<b>Timekeeper Name</b>	<b>Title</b>	<b>Standard Rate</b>	<b>Bank of America Rate</b>	<b>Effective Date</b>	<b>Billing Initials</b>	<b>Law Firm Office (City)</b>

**Appendix V**  
**INVOICE/BILLING CONTACT INFORMATION**

Category	Issue	Group	Contact	Contact Information
LegalPrecision	General support	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
	Legal matter number not available	LexisNexis Examen	Client Support*	<a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a> Include legal matter number with inquiry
	Law Firm Name or Address Change	Bank of America	Legal Department	<a href="mailto:retentions@bankofamerica.com">retentions@bankofamerica.com</a>
	Assistance with invoice rejection	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
Billing Rates	Question about current billers and/or rates – how to change?	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
	Question regarding adding new timekeeper/biller – how/where?	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
	Add/change value requests	Bank of America	Legal Department	<a href="mailto:ocrates@bankofamerica.com">ocrates@bankofamerica.com</a>
Invoices	Legal matter number not known	Bank of America	Responsible Bank Associate	E-mail inquiry to client, the one engaging firm
	Status inquiries	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
	Rejection explanations and/or assistance	LexisNexis Examen	Client Support*	800.600.2282, ext. 23 or <a href="mailto:legalprecision@examen.com">legalprecision@examen.com</a>
	Deletion requests for invoices successfully submitted to LegalPrecision	Bank of America	Legal Invoice Team	<a href="mailto:Legalinvoice@bankofamerica.com">Legalinvoice@bankofamerica.com</a> Include with request: 1) Legal matter number 2) Invoice number 3) Invoice amount
	Payment status for approved invoices	Bank of America	Legal Invoice Team	<a href="mailto:Legalinvoice@bankofamerica.com">Legalinvoice@bankofamerica.com</a> Include with inquiry: 1) Legal matter number 2) Invoice number 3) Invoice date 4) Invoice amount 5) Approval date in LegalPrecision
	Partial payments/Appeal adjustments	Bank of America	Attorney / File Handler	E-mail inquiries to Attorney. E-mail address is available by accessing matter in LegalPrecision and clicking on attorney name.

The Client Support team of LexisNexis Examen is available from 5:00 am to 6:00 pm PT